

SECTION 7

CASH MANAGEMENT

CASH CONTROLS	7.1
CASH RECONCILIATION	7.1
ACCOUNTS.....	7.2
CASH/TICKET MANAGEMENT POLICIES	7.2
Ticket Sales	7.2
Ticket Refunds/Credit Account.....	7.2
Lost and Stolen Meal Tickets	7.3
Cash for Reduced-Price Meals in Serving Line	7.4
Bad Debts	7.4
Charges for Meals	7.4
EXHIBITS	
Daily Cash Count.....	A
Food Service Cash Reconciliation	B
Cash Receipts Summary	C

CASH MANAGEMENT

Cash collection often occurs simultaneously with meal counting. Collection procedures should facilitate rather than inhibit the meal count system. Also, overt identification of free and reduced-priced students must be prevented during issuing and collecting the medium of exchange.

Payment for meals may be done in any combination of three ways: prepayment, cash at the point of service, and a post-billing system. (i.e. charges- not recommended) An all cash line, where reduced-price and paid students pay and free students do not is almost always unacceptable because it overtly identifies the free student. An exception would be if a la carte items are sold, then cash payments from reduced-price and paid students could be accepted on the serving line.

The same payment options must be available to all students regardless of eligibility category. For instance, if students eligible for paid meals have the option to pay on a weekly basis, students eligible for reduced-price meals must also have this option.

CASH CONTROLS

Monies should be safeguarded at all times and amounts properly recorded in the accounting records.

Procedures must be established for adequate cash control. Duties should be separated among the employees for the following: cash collections, bank deposits, cash disbursements, and reconciliation of bank/county treasurer statements.

Custodians of the change fund must be bonded for an amount equal to the fund amount.

Blank checks must not be given to employees.

CASH RECONCILIATION

All cash must be verified prior to the meal service. At the end of the meal service period, count and record the actual cash collected. The cash count should be taken without regard to the meal count, recorded and signed daily (Exhibit A). A second person must verify the cash count and also sign. Cash collected by different individuals should not be merged until individual counts are taken and recorded.

The amount of potential income should be calculated daily. This can be done by using the "Food Service Cash Reconciliation" sheet (Exhibit B). Actual cash should be compared to potential cash. Record all differences (overages and shortages). Figures should not be forced to balance and meal counts should not be adjusted to balance the cash collected.

All cash should be deposited into the food service or general account daily. The "Cash Receipts Summary" (Exhibit C) can be used to record daily cash receipts and deposits. Total daily sales should be traceable by source documents to a bank deposit.

ACCOUNTS

RCCI's may use a bookkeeping system of their choice. Records should include revenue and expenditure records sufficient to establish the nonprofit status of their food service operations. All records, including supporting documents such as bills and invoices, must be retained for a minimum of five (5) years after the fiscal year for which it pertains or until audit findings have been resolved.

CASH/TICKET MANAGEMENT POLICIES

Ticket Sales

A log of breakfast and lunch pre-numbered tickets should be maintained for each ticket type: full-price, reduced-price and paid.

Tickets are to be valued as cash and must be safeguarded in the same manner as cash. Each ticket seller should sign the ticket log when receiving tickets. The Daily Cash Report should indicate the total tickets sold by type, the number of the first ticket sold that day and the number of the first ticket available for the next day.

Ticket Refunds/Credit Account

Refunds for unused tickets or credit accounts may be made from either the Food Services Fund revolving account or daily food services cash receipts. If the revolving account is used to make refunds an imprest petty cash account may be established in an amount equal to the total estimated refund amount based on previous years' refunds. Pre-numbered refund slips must support refunds. The total refund amounts as recorded on the prenumbered refund slips plus remaining cash must equal the imprest petty cash amount. Remaining cash must be returned to the revolving account.

When ticket or credit account refunds are made from daily cash receipts, the following procedures must be followed:

- ❖ A prenumbered refund slip must be completed in duplicate,
- ❖ The slip is signed by student/parent, the cashier and the food services manager, and a copy is given to the student/parent,
- ❖ The amount of the unused ticket refunds should be recorded on the daily cash report and the tickets and original refund slip attached to the report.

Lost and Stolen Tickets

Sponsors may establish their own ticket replacement policy. Ticket refers to any and all forms of exchange used in the schools' or institutions' food service collection systems, including daily, weekly or monthly paper tickets, cards, coins or tokens. When handling instances of missing tickets, sponsors need not actually issue a replacement ticket if appropriate meal arrangements, such as accompanying the student through the cafeteria line, are made. It is recommended that the meal or ticket replacement policy for missing free and reduced-price tickets be extended to the loss of full-price tickets. If such a uniform policy does not cover the full-price students, sponsors must exercise care to preclude the overt identification of needy students when reissuing free or reduced-price meal tickets or making arrangements to provide meals to students whose tickets are missing.

A system which limits the number of tickets reissued must conform to the following standards:

1. Parents and students must be advised in writing of the institution's policy regarding missing tickets and of the students' corresponding responsibility for their tickets. This notice should be provided when applications are distributed to households or upon approval for free or reduced-price benefits.
2. A minimum of three ticket replacements, or special meal arrangements resulting from three lost or stolen tickets, must be allowed for each student within each school year.
3. The school must maintain a list of students who have reported missing original ticket(s) in the current year and the number of occurrences for each student. Prior to denying a meal to any student without a ticket, the list should always be reviewed to determine if the student has already had at least three ticket replacements or special arrangements for lost or stolen tickets within the school year.
4. At least one advance written warning must be given to the student and the parent(s) prior to refusal to allow additional meals or ticket replacements. The written warning must include an explanation that the student has repeatedly requested replacement tickets and that each subsequent time the student fails to have a ticket, they will be expected to either bring lunch or pay full price for lunch.
5. Meals must always be provided to pre-primary and young primary students or for any students with disabilities who may be unable to take full responsibility for a meal ticket.
6. Schools that use a computer card solely for meals must allow three replacements before charging free and reduced-priced eligible students for a card. An exception is made for schools with a multi-purpose card such as an identification card, activity card, library card and meal card.

Using the above criteria, schools and institutions may develop the most administratively feasible system to handle missing tickets as determined by individual school/institution circumstances and frequency of ticket issuance. In cases of repeated ticket loss or misuse, administrators may wish to contact an adult household member to arrange a meeting to discuss the problem.

Cash for Reduced-Price Meals in Serving Line

When accepting cash in line, a procedure must be established which does not overtly identify the eligible reduced-price student to other students.

Cash may only be accepted for reduced-price meals in school lunch serving lines if:

1. The cash amount rung up on a cash register is not visible to students.
2. Cash is accepted for sale of other food items in addition to the reduced-price meal payment.

Bad Debts

Student charges which are determined to be uncollectible should be recorded as a bad debt expense. The bad debts are not included as program expenditures.

Charges for Meals

The decision to allow or disallow student charges for meals rests with the sponsor. It is recommended that sponsors send the charge policy to households at the beginning of the school year.

Charge sales are also discouraged by Child Nutrition Programs and USDA. If student charges are allowed, a log of these charges should be maintained by each site. The charged meal is counted on the day it is eaten, NOT on the day the charge is paid. Students should be billed regularly for meals charged and excessive balances should not be allowed. ADULTS MAY NOT CHARGE THEIR MEALS.

DAILY CASH COUNT

School _____ Date _____
 Cashier _____ Report # _____

COIN:

Pennies \$ _____
 Nickels \$ _____
 Dimes \$ _____
 Quarters \$ _____

Total Change \$ _____

DOLLARS:

Ones \$ _____
 Fives \$ _____
 Tens \$ _____
 Twentys \$ _____

Total Dollars \$ _____

CHECKS:

Check Number	Amount
# _____	\$ _____
# _____	\$ _____
# _____	\$ _____
# _____	\$ _____
# _____	\$ _____
# _____	\$ _____
# _____	\$ _____
# _____	\$ _____
# _____	\$ _____
# _____	\$ _____

Total Checks \$ _____

TOTAL	\$ _____
LESS CHANGE FUNDS	\$ (_____)
AMOUNT DEPOSITED	\$ _____
OVER/(SHORT)	\$ _____

Prepared by: _____
 Signature and Date

Checked by: _____
 Signature and Date

FOOD SERVICE CASH RECONCILIATION

DATE_____

	COUNTS	PRICE	POTENTIAL CASH
A. Potential Cash			
1. Reduced Price Meals			
a. Paid for Today	_____ X	_____	_____
b. Prepayments Received	_____ X	_____	_____
c. Charges Paid Today	_____ X	_____	_____
d. Subtotal			\$_____
2. Paid Meals			
a. Paid for Today	_____ X	_____	_____
b. Prepayments Received	_____ X	_____	_____
c. Charges Paid Today	_____ X	_____	_____
d. Subtotal			\$_____
3. Adult Meals			
a. Paid for Today	_____ X	_____	_____
b. Prepayments Received	_____ X	_____	_____
c. Subtotal			\$_____
4. Other (A La Carte)			
a. _____	_____ X	_____	_____
b. _____	_____ X	_____	_____
c. _____	_____ X	_____	_____
d. _____	_____ X	_____	_____
e. Subtotal			\$_____
5. Total Potential Cash			\$_____
B. Actual Cash			\$_____
C. Difference			\$_____
Prepared by_____Checked by_____			

Cash Receipts Summary

School _____

Month _____ Year _____

[illegible]

Prepared by: Signature and Date

Transfer to the County Treasurer